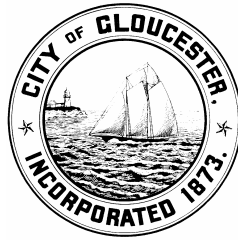


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## CITY OF GLOUCESTER OFFICE OF THE MAYOR

### I4 - C2 FACT SHEET

#### 1. What does I4 - C2 stand for?

- a. In 1962 the area was declared “blighted decadent and substandard” by the Gloucester Housing Authority (GHA). In June 1963, the GHA issued an Urban Renewal Plan adopted by the City Council in August 1963. This parcel is designated as “Industrial Lot 4, Commercial Lot 2” (I4 - C2) under the Plan. The existing structures were torn down sometime between 1962 and 1966 leaving the parcel vacant.

#### 2. Where is I4-C2 located?

- a. The address of I4-C2 is 65 Rogers Street which is located between the Gloucester House Restaurant and The Building Center.

#### 3. Who owns the property?

- a. In July 1986, Gloucester Landing Associates (GLA) purchased the property from the Gloucester Redevelopment Authority. At the same time, Gloucester Landing Associates conveyed the water’s edge and water rights back to the Gloucester Redevelopment Authority for one dollar. This transaction split the land from the water which has proven to be the barrier to development ever since. Gloucester Landing Associates still owns the property, and Jeffrey Cohen the General Partner for GLA, is the contact.

#### 4. Why does the city want to buy it?

- a. Under the current Designated Port Area (DPA) Marine Industrial zoning which was recently affirmed in the Municipal Harbor Plan, a property must have a water dependent use which this property does not have because it is landlocked. It is highly doubtful that the city would surrender or sell the wharf and docks connected to I4-C2. The only way for any development to occur is to reunite the parcels.
- b. Private attempts to negotiate a transaction for the last 45 years including the last 24 years with GLA (Cohen) have not resulted in success. It is appropriate for public investment to be made in order to remove the blight, and spur economic development in the surrounding area including downtown. In addition, the current owner has no interest in cooperating in any development efforts.

#### 5. Why is the city taking the property by eminent domain?

- a. Massachusetts General Law chapter 40 section 14 authorizes the city to take land which is valued at more than the 25% over the average of the assessed value of the last three years. In taking the parcel (eminent domain), the city pays either a negotiated price (friendly taking) or a price determined by the court (hostile taking).
- b. The city desires to avoid a hostile eminent domain taking. The value of the property by the court is determined by the highest price an owner could receive on the open market from a willing buyer. Based on jury awards in hostile eminent domain takings, the city does not want to take the risk in a hostile taking which could result in a significantly higher award than the negotiated price. Also, the parcel would remain an eyesore while tied up in litigation for years to come.

#### 6. What is the “public purpose” that is served as required by an eminent domain taking?

- a. The general public purpose is economic development and downtown revitalization for the city of Gloucester. Specifically, this particular parcel represents the values set forth in the Harbor Plan, and the Economic Development Plan for the city. The city’s Economic Development Plan emphasizes three sectors for future jobs and investment: a) Maritime economy; b) Fishing industry; and, c) Visitor-based economy.

I4C2 is a complete fit to showcase and attract jobs and investment aligned with the Harbor Plan and the Economic Development Plan:

- The land area is ideal for featuring a maritime economy use which could include a mix of commercial and marine industrial uses under current zoning.
- The wharf and docks serve the commercial fishing industry in which Gloucester is ranked in the top ten across the nation in terms of fish landings. This use qualifies as the water-dependent use under current DPA zoning.
- The wharf area is a vital link in the planned Harbor Walk which will connect properties along the working waterfront for greater public access to the Harbor, and circulate visitors to Harbor Loop and up to Main Street and the civic / cultural center.

**7. How much will it cost?**

- a. It will cost the city \$700,000. The Administration believes it is prudent to take affirmative steps to steer the city's own destiny, and to be proactive on development that is aligned with the Harbor Plan and the Economic Development Plan for the city.
- b. A state grant in the amount of \$800,000 will be used to pay for more than 50% of the total negotiated price.

**8. How will the city pay for it?**

- a. The city will issue short-term debt. The cost to the city is estimated at \$12,500 in the first year, and \$12,500 in the second year. The plan is to have a development plan in place by year three, before permanent financing expenses are incurred. Year three cost is estimated to be \$82,500. The expenses will be factored into balanced municipal budgets using revenues available to support city expenses.

**9. Does the state grant come with any strings?**

- a. No.

**10. What is the total price and how was it determined?**

- a. \$1.5 million.
- b. The price is a result of negotiations to enter into a friendly eminent domain taking with an agreed upon price rather than a hostile taking with a price determined by the court. As part of the negotiations, a process for utilizing appraisals was agreed upon. Both parties agreed to use an appraisal that considered the value of the combined parcels because there is only value in the land when it is combined with the waterfront. The city appraisal determined the value to be \$1,850,000. The seller's appraisal determined the value to be \$2 million.

**11. What about an environmental assessment and what would the city do if the land is found to be contaminated?**

- a. A Phase I environment assessment is going on now. Results are due back to the city by April 9<sup>th</sup>.
- b. There is no record of any reports that the site is contaminated in the last 25 years of Department of Environment Protection (DEP) history.
- c. As recently as 2004, financing was secured for an acquisition of the parcel that fell through for other reasons so there is evidence that environmental concerns are not a barrier to financing and development.
- d. The city would still move forward with the transaction even if there are findings from the Phase I assessment. As is the case with the Paint Factory where the city facilitated a \$200,000 grant and \$150,000 in "brownfields" money, the city has access to these resources for its own projects.

**12. What is the development plan for the parcel?**

- a. There is no pre-conceived development plan in the works. The only requirement is that any development conform to the Harbor Plan and the Designated Port Area zoning requirements.
- b. The city will follow a community-driven process including the following steps:
  - Community meetings
  - Pursuit of opportunities / proposals
  - Community evaluation of proposals
  - Assembly of the development plan for selected proposal
  - Submission of development plan to permitting and approving authorities

**13. In the meantime, what can be done with the property?**

- a. Immediate actions the city may take include: removal of the blight (chain link fence, overgrown brush, trash, etc.); and, installation of signage.
- b. Temporary uses supported by a Chapter 91 license include a narrow set of uses "without significant structural alteration of such space of facilities." Examples are parking or fishing gear / maintenance.
- c. Permanent uses supported by a Chapter 91 license need to possess a 50% water-use requirement and a 50% supporting DPA use. These types of uses are spelled out in detail in the recently approved Municipal Harbor Plan.
- d. Public access will be a requirement for all types of uses as emphasized in the Harbor Plan.

***PUBLIC HEARING on I4-C2  
7pm, APRIL 13, CITY HALL***